

Decision 04-12-052 December 16, 2004

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric
Company (U 902 E) for a Certificate of Public
Convenience and Necessity for the Miguel –
Mission 230kV #2 Project.

Application 02-07-022
(Filed July 12, 2002)

OPINION MODIFYING DECISION 04-07-026

San Diego Gas and Electric Company (SDG&E) filed a petition to modify Decision (D.) 04-07-026 on September 30, 2004, seeking a modification to its Certificate of Public Convenience and Necessity (CPCN) for its Miguel-Mission Transmission Project. In granting the CPCN, the Commission also adopted and certified a Final Environmental Impact Report (Final EIR) for the project. This order grants the petition to modify D.04-07-026 to permit SDG&E to install a temporary 230 kilovolt (kV) line on existing poles while it is constructing the remainder of the Miguel-Mission project.

Energy Division environmental staff and its environmental consultants have reviewed the proposed temporary project modifications and determined that, with implementation of existing mitigation measures, no new environmental impacts will occur. The staff concluded that preparation of an Addendum to the Final EIR was appropriate under Section 15164 of the

California Environmental Quality Act (CEQA).¹ Accordingly, we will consider and approve the Addendum to the Final EIR for the Miguel-Mission Project. SDG&E estimates that the project modification approved herein will provide between \$8-13 million in savings associated with reductions in congestion management costs and offset reliability-must-run (RMR) generation in SDG&E's territory.

Background

D.04-07-026 granted SDG&E a CPCN to construct the Miguel-Mission Transmission Project, a 230 kV transmission project to construct additional transmission and distribution capacity to meet electricity demand in its territory and to reduce congestion at SDG&E's Miguel Substation. SDG&E and the California Independent System Operator (ISO) have estimated that transmission congestion at the Miguel Substation has created liabilities for California ratepayers exceeding \$7 million monthly and additional liabilities for RMR costs.

SDG&E filed the application for authority to construct the Miguel-Mission project in July 2002. The application was consistent with Commission findings in D.03-02-069 which analyzed problems at the Miguel Substation. D.04-07-026 approved the application on July 8, 2004 and adopted and certified the Final EIR for the project.

Subsequently, the ISO sent a letter to the Commission stating its support for temporary installation of a 230 kV line on existing poles as a way of accelerating cost savings associated with the Miguel-Mission Project. The assigned Administrative Law Judge (ALJ) then issued a ruling on September 22,

¹ [Public Resources Code Section 21000 et seq., Title 14 of the California Code of Regulations Section 15000 et seq., hereafter CEQA Guidelines.](#)

2004 directing SDG&E to respond to a number of questions about the project modifications referenced in the ISO's letter. SDG&E filed responses to those questions on September 30, 2004 and concurrently filed the subject petition to modify D.04-07-026. Border Generation and the ISO each filed statements of support for the project modifications.

Description of Proposed Project Modifications

SDG&E proposes to modify the originally approved project by accelerating the installation and operation of a temporary 230 kV transmission line during construction of the Miguel-Mission Project. This accelerated schedule for the operation of a 230 kV line is a temporary solution that SDG&E claims is needed to decrease the financial cost burdens of managing congestion at Miguel Substation, and Reliability Must Run (RMR) generation in SDG&E's service area. SDG&E states the project modification is expected to cost approximately \$2.1 million, but provide annual net savings of \$8 to \$13 million according to the ISO.

Under the proposed modification, the existing 69 kV line would be temporarily removed from operation, and a 230 kV line would be temporarily energized in its place. The result would be a replaced line with transmission lines operating at 230 kV and 138 kV levels, instead of at the 138 kV and 69 kV levels that were authorized in D.04-07-026. The operation of the higher voltage would only be temporary (12 to 18 months). After the existing steel lattice towers are modified to receive the 230 kV line and the new steel poles have been constructed that are required for the new permanent 230 kV line, the power levels on the new poles would be restored (de-energized) to the 69 kV and 138 kV levels as described and approved in the Miguel-Mission Project Final EIR.

The temporary 230 kV line is proposed to run 15 miles from Miguel to Los Coches Substations. SDG&E proposes several associated changes to the project, which include the use of larger insulators, slightly longer cross-arms on six of the new poles and the installation of eight temporary poles to maintain clearances between the facilities required by the Commission's General Order 95. In all other respects, the project would be constructed and operated as described and analyzed in the certified Final EIR.

SDG&E states the proposed project changes do not cause new or more severe significant environmental impacts. It proposes that the Commission approve an Addendum to the EIR.

Addendum to EIR

CEQA Guideline Section 15164 allows the lead agency or responsible agency to prepare an Addendum to the previously certified environmental document under certain conditions. These conditions essentially provide that the proposed changes to the project must not be substantial, must not create new environmental impacts or substantially increase the severity or previously identified significant effects, and must not require mitigations beyond those previously identified and adopted for the project.

Following the filing of SDG&E's petition to modify, the Commission staff determined that the Commission would need to certify an addendum to the Final EIR certified in D.04-07-026, as SDG&E proposed. Energy Division and its environmental consultants Aspen Environmental Group reviewed the proposed project modifications on the basis and determined that the proposed temporary project changes met the criteria of CEQA Guideline Section 15164 for the preparation of an Addendum. (Attachment A) Aspen Environmental Group prepared this Addendum on November 30, 2004. The Addendum concludes the

proposed temporary project modifications, with implementation of specified mitigation measures from the Final EIR , will create no increased or new environmental impacts.

Because the project modifications will not cause any increased or new environmental impacts, will not require mitigations beyond those previously identified and adopted in the Final EIR, and are likely to save California ratepayers millions of dollars, we herein approve and adopt the Addendum to the Final EIR for the Miguel-Mission Transmission Project modifications proposed by SDG&E.

Comments on Draft Decision

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is waived.

Assignment of Proceeding

Loretta M. Lynch is the Assigned Commissioner and Kim Malcolm is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. SDG&E has proposed modifications to the project approved in D.04-07-026 in order to reduce the costs of congestion management and RMR costs.
2. All necessary CEQA review of the proposed project modifications has occurred.
3. Aspen Environmental Group prepared an Addendum to the Final EIR certified in this proceeding addressing the proposed project modifications. Aspen and the Commission's Energy Division staff conclude the project modification described in SDG&E's September 30, 2004 petition to modify D.04-07-026 will not result in a significant impact to the environment.

Conclusions of Law

1. The Addendum to the Final EIR contained in Attachment A to this order should be approved.
2. D.04-07-026 should be modified to authorize construction of the project as modified by the Addendum.
3. This order should be effective immediately to allow SDG&E to complete construction of the project as soon as possible and thereby reduce the costs of RMR and congestion management now assumed by California ratepayers.

O R D E R

IT IS ORDERED that:

1. Decision 04-07-026 is modified to allow San Diego Gas and Electric Company to construct the Miguel-Mission Transmission Project as modified by the Addendum to the Final Environmental Impact Report (EIR), as described in Attachment A to this decision.
2. The Addendum to the Final EIR (Attachment A) is approved.
3. This proceeding is closed.

This order is effective today.

Dated December 16, 2004, at San Francisco, California.

MICHAEL R. PEEVEY
President
CARL W. WOOD
LORETTA M. LYNCH
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners